Oncor is providing these comments in response to the September 7, 2017, ERCOT Workshop:  A Discussion on Registration of Southern Cross Transmission LLC - Owner/Operator of a Merchant DC Tie.  Numerous issues were raised by the presentations and discussion in the workshop.  Of those, Oncor is addressing only three in these comments.  Oncor reserves the right to provide additional comments on other issues as ERCOT proceeds to evaluate responses to the Public Utility Commission of Texas (PUC) charges.

1. Oncor recommends that ERCOT establish a new type of Market Participant:  DC Tie Operator.  This type would be included in the Market Participant registration list.  Oncor expects that AEP, ETT, Sharyland, and Southern Cross Transmission (SCT) would each register in this category, in addition to other applicable functions such as Transmission Service Provider.
2. Oncor recommends that ERCOT evaluate its systems to determine which ones, and to what degree, SCT must necessarily access in its capacity as a DC Tie Operator.  After that evaluation, the governing documents, such as Nodal Protocols and Guides, may be amended.  Because the DC Tie Operator is already a recognized term in the governing documents, the document review may be less time-consuming than it appears.
3. Oncor recommends that ERCOT amend its bylaws to provide that a DC Tie Operator shall be included in the Independent Power Marketer Segment, unless it fits in any other classification.  This classification would parallel the organizational structure already in place for aggregators in the Independent REP segment and is reflected in the highlight below.  There was some discussion in the workshop about altering the IOU segment definition and including SCT there.  Oncor does not believe this would be appropriate.  The other members of the IOU segment are rate-regulated by the PUC and operate extensive and highly interconnected transmission facilities in ERCOT.  By contrast, SCT will own and operate only one DC tie and requires substantially less information from and interaction with ERCOT and other transmission operators.  While the alignment of SCT with the Independent Power Marketer segment is imperfect, it more closely resembles SCT functions and interests regarding power transfers between ERCOT and SERC.  Oncor notes that Pattern, an affiliate of SCT, is currently registered in the Independent Generator segment and expects that such a registration can continue.

Oncor looks forward to continuing the ERCOT dialogue regarding SCT.

Excerpted from ERCOT Bylaws Article 2 Definitions:

12. Independent Power Marketer. Any entity that is not a T&D Entity or Affiliate of a T&D Entity and is registered at the PUCT as a Power Marketer to serve in the ERCOT Region. For the purposes of Segment classification, a DC Tie Operator, if such Member does not fit in any other classification, shall participate as an Independent Power Marketer.

13. Independent REP. Any entity that is certified by the PUCT to serve in the ERCOT Region as a Retail Electric Provider (“REP”) under Public Utility Regulatory Act (“PURA”) §39.352 and that is not an Affiliate of a T&D Entity. For the purposes of Segment classification, an aggregator, if such Member does not fit in any other classification, shall participate as an Independent REP.

15. Investor-Owned Utility (“IOU”). a. An investor-held, for-profit “electric utility” as defined in PURA §31.002(6) that

(a) operates within the ERCOT Region,

(b) owns 345 KV interconnected transmission facilities in the ERCOT Region,

(c) owns more than 500 pole miles of transmission facilities in the ERCOT Region, or

(d) is an Affiliate of an entity described in (a), (b) or (c); b. A public utility holding company of any such electric utility.